



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed April 4, 2023

  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,<sup>1</sup>

Reorganized Debtor.

MARC S. KIRSCHNER, AS LITIGATION  
TRUSTEE OF THE LITIGATION SUB-TRUST,

Plaintiff,

v.

JAMES D. DONDERO; MARK A. OKADA;  
SCOTT ELLINGTON; ISAAC LEVENTON;  
GRANT JAMES SCOTT III; STRAND  
ADVISORS, INC.; NEXPOINT ADVISORS,  
L.P.; HIGHLAND CAPITAL MANAGEMENT  
FUND ADVISORS, L.P.; DUGABOY  
INVESTMENT TRUST AND NANCY  
DONDERO, AS TRUSTEE OF DUGABOY

Chapter 11

Case No. 19-34054-sgj11

Adv. Pro. No. 21-03076-sgj

<sup>1</sup> The last four digits of the Reorganized Debtor's taxpayer identification number are (8357). The Reorganized Debtor is a Delaware limited partnership. The Reorganized Debtor's headquarters and service address are 100 Crescent Court, Suite 1850, Dallas, TX 75201.

INVESTMENT TRUST; GET GOOD TRUST AND GRANT JAMES SCOTT III, AS TRUSTEE OF GET GOOD TRUST; HUNTER MOUNTAIN INVESTMENT TRUST; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2; CLO HOLDCO, LTD.; CHARITABLE DAF HOLDCO, LTD.; CHARITABLE DAF FUND, LP.; HIGHLAND DALLAS FOUNDATION; RAND PE FUND I, LP, SERIES 1; MASSAND CAPITAL, LLC; MASSAND CAPITAL, INC.; AND SAS ASSET RECOVERY, LTD.,

Defendants.

**ORDER GRANTING THE LITIGATION TRUSTEE’S  
MOTION TO STAY THE ADVERSARY PROCEEDING**

Having considered the *Motion to Stay the Adversary Proceeding* (the “Motion”)<sup>2</sup> filed by Marc S. Kirschner (the “Litigation Trustee”), the Litigation Trustee of the Litigation Sub-Trust established pursuant to the *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* [Bankr. Dkt. 1808]<sup>3</sup> (as amended, the “Plan”) and plaintiff in the above-captioned adversary proceeding (the “Adversary Proceeding”), the Court finds and concludes (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) notice of the Motion was sufficient under the circumstances; and (c) good cause exists to grant the relief requested in the Motion. Accordingly, **IT IS THEREFORE ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.

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<sup>2</sup> Capitalized terms not otherwise defined in this Order shall have the meanings given them in the Motion.

<sup>3</sup> “Bankr. Dkt.” refers to the docket maintained in Case No. 19-34054-sgj11 (Bankr. N.D. Tex.).

2. All proceedings in the Adversary Proceeding, including the *Motion to Recuse Pursuant to 18 U.S.C. §§ 144 and 455* [**Dkt. No. 309**], are hereby **STAYED** through and including September 30, 2023, which stay will continue thereafter until any party to the Adversary Proceeding provides 30 days' written notice to all other parties and the Court of their intent to resume the Adversary Proceeding.

3. Unless otherwise agreed by the Parties, the schedule set forth in the revised Scheduling Order filed with the Court on March 24, 2023, shall apply if the stay expires and the litigation has not been resolved, with the time periods extended commensurate with the period of the stay.

4. The *Motion to Stay and Response to Plaintiff's Motion to Stay* filed by Defendants James D. Dondero, Strand Advisors, Inc., Dugaboy Investment Trust, and Get Good Trust [**Dkt. No. 329**] is deemed WITHDRAWN based on counsel's representations to the Court.

5. All other objections and responses to the Motion including the *Response to the Litigation Trustee's Motion to Stay the Adversary Proceeding* filed by Defendants CLO Holdco, Ltd.; Charitable DAF Holdco, Ltd.; Charitable DAF Fund, LP; and Highland Dallas Foundation, Inc. [**Dkt. No. 332**]; and the *Joinder of Defendants NexPoint Advisors, L.P. and Highland Capital Management Fund Advisors, L.P. to Defendants James D. Dondero, Dugaboy Investment Trust, Get Good Trust, and Strand Advisors, Inc.'s Cross-Motion to Stay and Response to Plaintiff's Motion to Stay* [**Dkt. No. 331**], are also deemed WITHDRAWN based on counsel's representations to the Court.

6. Nothing in this Order shall be construed as a stay of the adjudication of the objections to this Court's *Report and Recommendation to the District Court Proposing that it: (A) Grant Defendants' Motions to Withdraw the Reference at Such Time as the Bankruptcy Court*

*Certifies that Action is Trial Ready; But (B) Defer Pre-Trial Matters to the Bankruptcy Court,* which are pending in the United States District Court of the Northern District of Texas in Case No. 22-cv-203-S.

7. The Defendant Parties will use good faith efforts to obtain agreements from subpoenaed third parties that objections to and compliance with those subpoenas are all tolled for the period of the stay, with documents to be preserved, and that new subpoenas will not be necessary if and when the stay is terminated. If such agreements cannot be obtained, the subpoenaing party(ies) may elect to pursue the outstanding discovery. The Defendant Parties shall notify Plaintiff's counsel if they are unable to reach an agreement with any such third-party.

8. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

**### END OF ORDER ###**